

# Health Enhancement Community Initiative Population Health Council: Finance Design Team

July 30, 2018  
2:00 – 3:30 p.m.  
WEBINAR

# Today's Objectives

Confirm HEC model elements for inclusion in concept paper:

- I. Geography
- II. Attribution
- III. Payment Model
- IV. Funds Flow



# HEC Geographies



## Design Principles

1. Statewide coverage (all areas would be part of an HEC)
2. No overlapping boundaries (an area may be in only one HEC)
3. Minimum population required: Necessary to be able to measure changes and minimize risk
4. “Rational” boundaries to avoid “cherry picking;” boundaries need to be functional

## Proposed Process

- Iterative formation process between the State and prospective HECs

# Potential Variation in HECs' Geographic Configurations

## EXAMPLE 1

Existing Community Collaborative



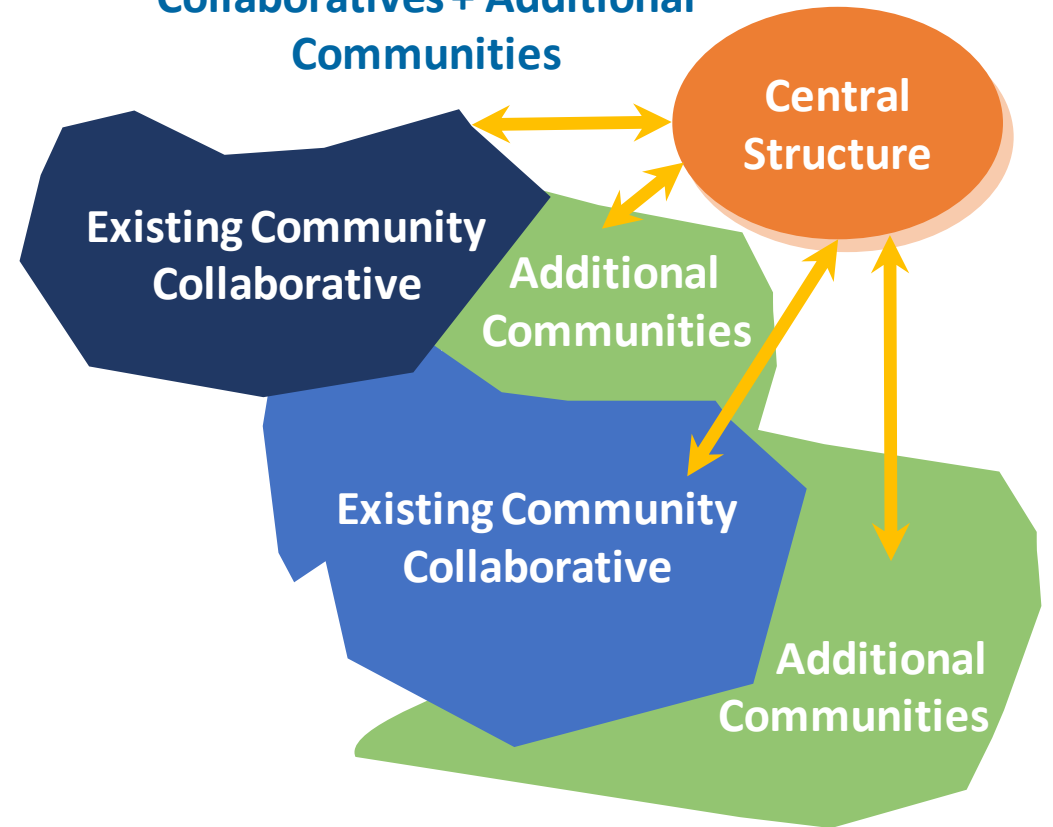
## EXAMPLE 2

Existing Community Collaborative + Additional Communities



## EXAMPLE 3

Multiple Existing Community Collaboratives + Additional Communities



# HEC Attribution

- Attribution is a key element of HEC accountability. Attribution determines:
  - Population whose health the HEC is accountable; and for whom the HEC may be eligible for shared savings
  - Denominator for performance measurement
- During last meeting, **we reviewed three options**: (See Appendix for examples)
  - Retrospective
  - Prospective
  - Snap-shot in time (beginning/end)

# ACO Attribution: Snapshot Example

## Snapshot Attribution - Example

In any given performance snapshot, include all persons who resided within a HEC geographic boundary.

### Example: 10-Year Medicare Demo Waiver

Demonstration Year	Attribution
	Baseline
1	Attributed Population 2021
2	Attributed Population 2022
3	Attributed Population 2023
4	Attributed Population 2024
5	Attributed Population 2025
6	Attributed Population 2026
7	Attributed Population 2027
8	Attributed Population 2028
9	Attributed Population 2029
10	Attributed Population 2030

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
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Baseline

X

First  
opportunity for  
shared savings



X

Second  
opportunity for  
shared savings



X

# HEC Attribution: Snapshot approach



Confirm

**Snapshot Approach:** Uses a methodology to capture a defined population group at a point in time, which can be repeated at a subsequent point in time

- **Key advantage:** Does not require longitudinal person-level data to establish a record of ongoing residency within a HEC geography
- **Payer Preference:** Payers and other HEC funders may have specific preferences about attribution due to the availability of data and/or their own goals and interests.

# HEC Attribution: Snapshot approach



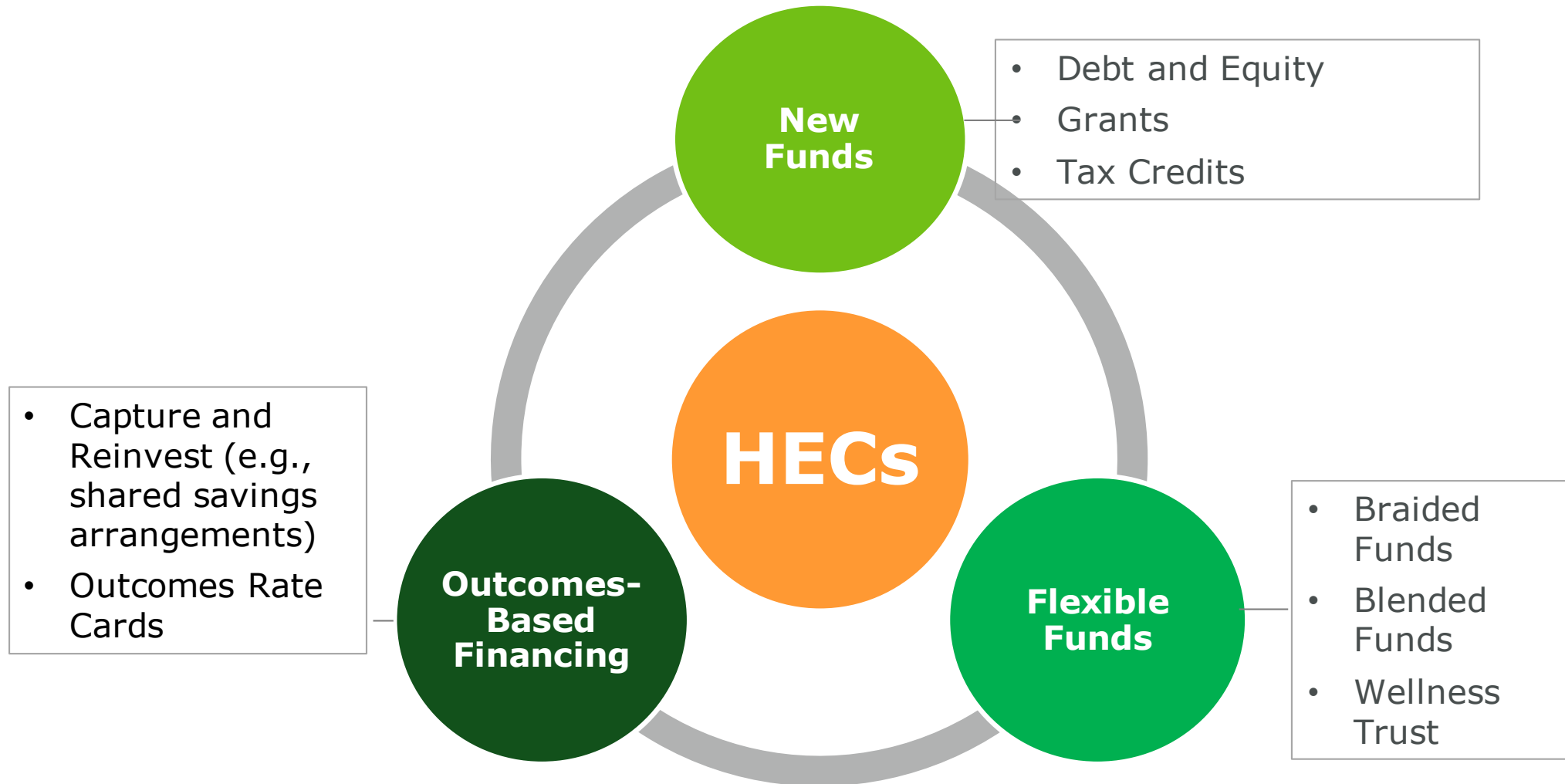
Confirm

**Snapshot Approach:** Uses a methodology to capture a defined population group at a point in time, which can be repeated at a subsequent point in time

- **Potential disadvantage:** There will be some environmental, economic, or health factors that occur which influence HECs' ability to “move the needle.” Examples include: in/out- migration of higher or lower socioeconomic groups; broader changes in cultural attitudes toward diet and exercise; funding for other government programs (e.g., food security, access to pre-K, etc.)
- **Question:** What, if anything, should be “controlled for” — meaning, changes in prevention indicators over time that HECs should ***not*** be held accountable for?



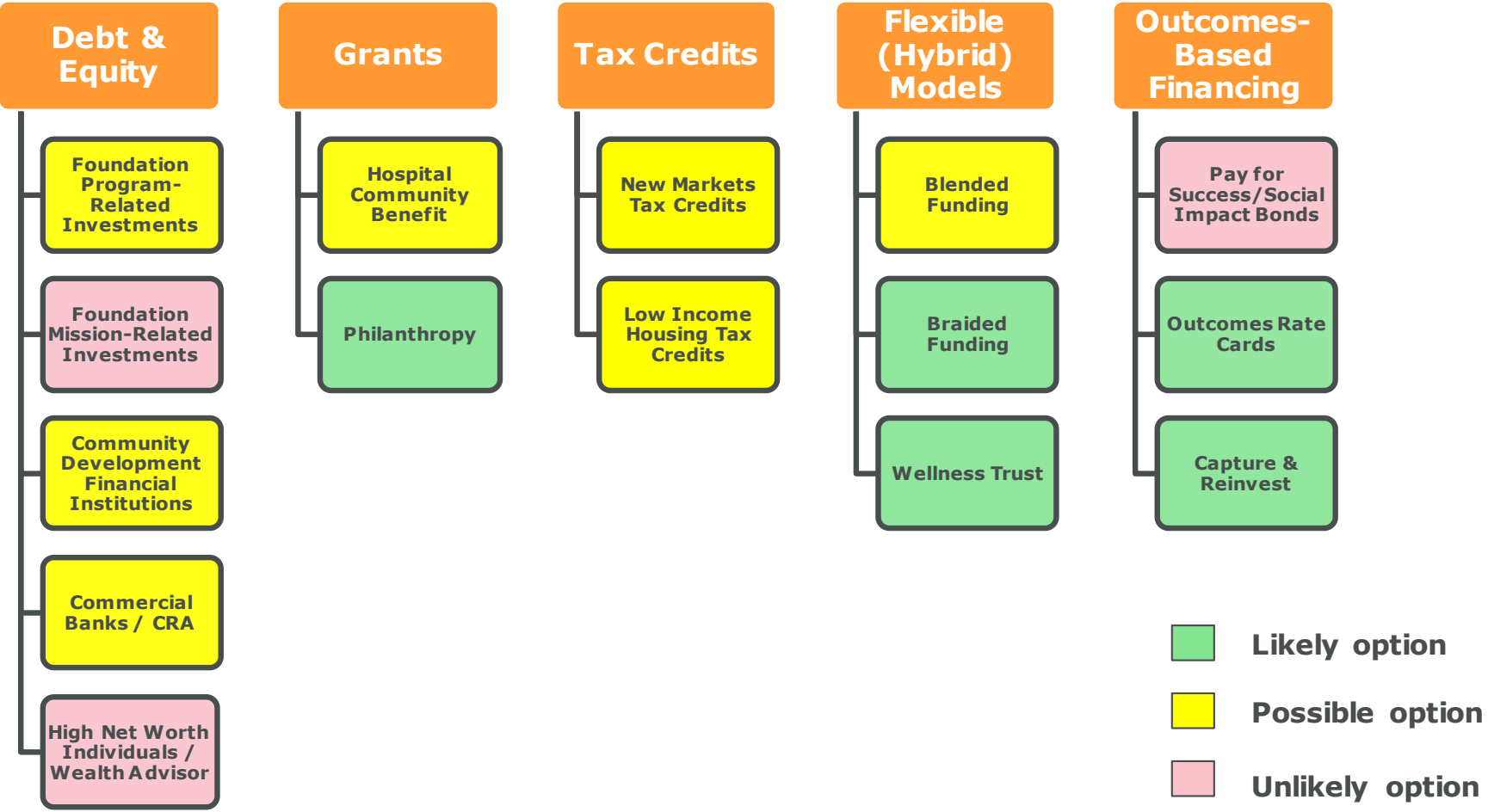
# How will HECs be funded?



Source: Nonprofit Finance Fund (NFF)

# How will HECs be funded?

## HEC Social Finance Options for Priority Health Areas



Source: Nonprofit Finance Fund (NFF)

# Payment Model: Likely Sources of Funds



Confirm

**Years 0 to 4**

- **Philanthropy**
- **Braided Funding**
- **Wellness Trust**
- Other options rated “possible”

**Year 5**

**Capture & Reinvest:  
Shared Savings  
tied to  
Prevention  
Benchmark**

**Years 6 to 9**

- **Philanthropy**
- **Braided Funding**
- **Wellness Trust**
- Other options rated “possible”

**Year 10**

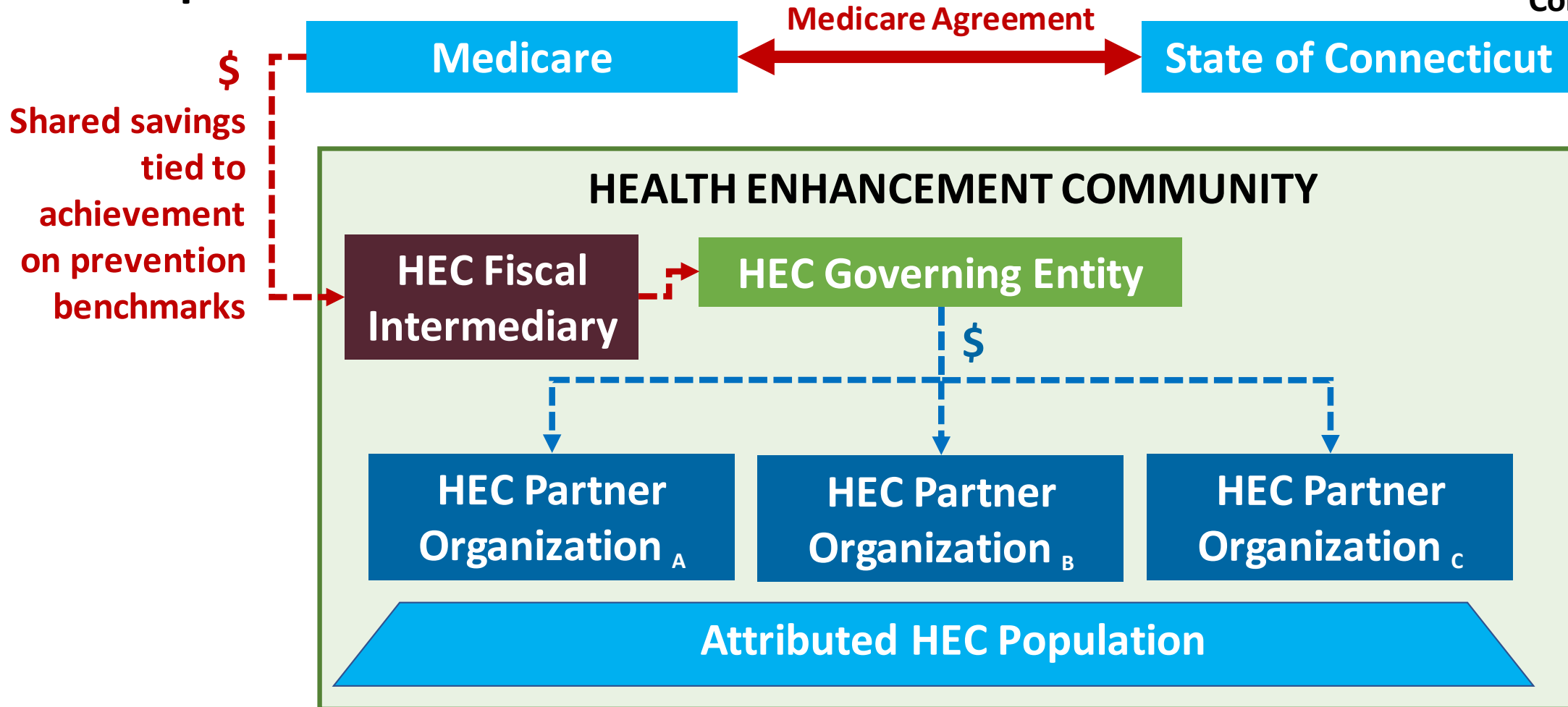
**Capture & Reinvest:  
Shared Savings  
tied to  
Prevention  
Benchmark**

# Funds Flow

## Example: Medicare Funds Flow



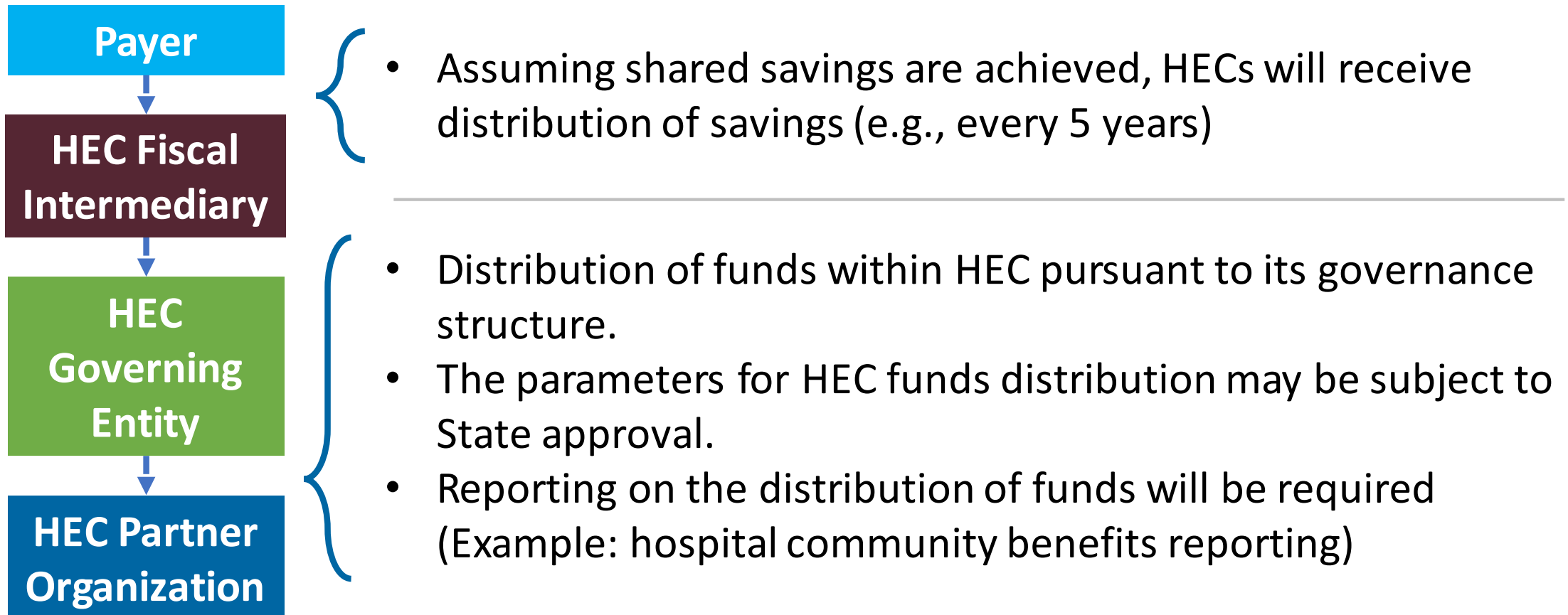
Confirm



# Funds Flow



## Example: Medicare Funds Flow

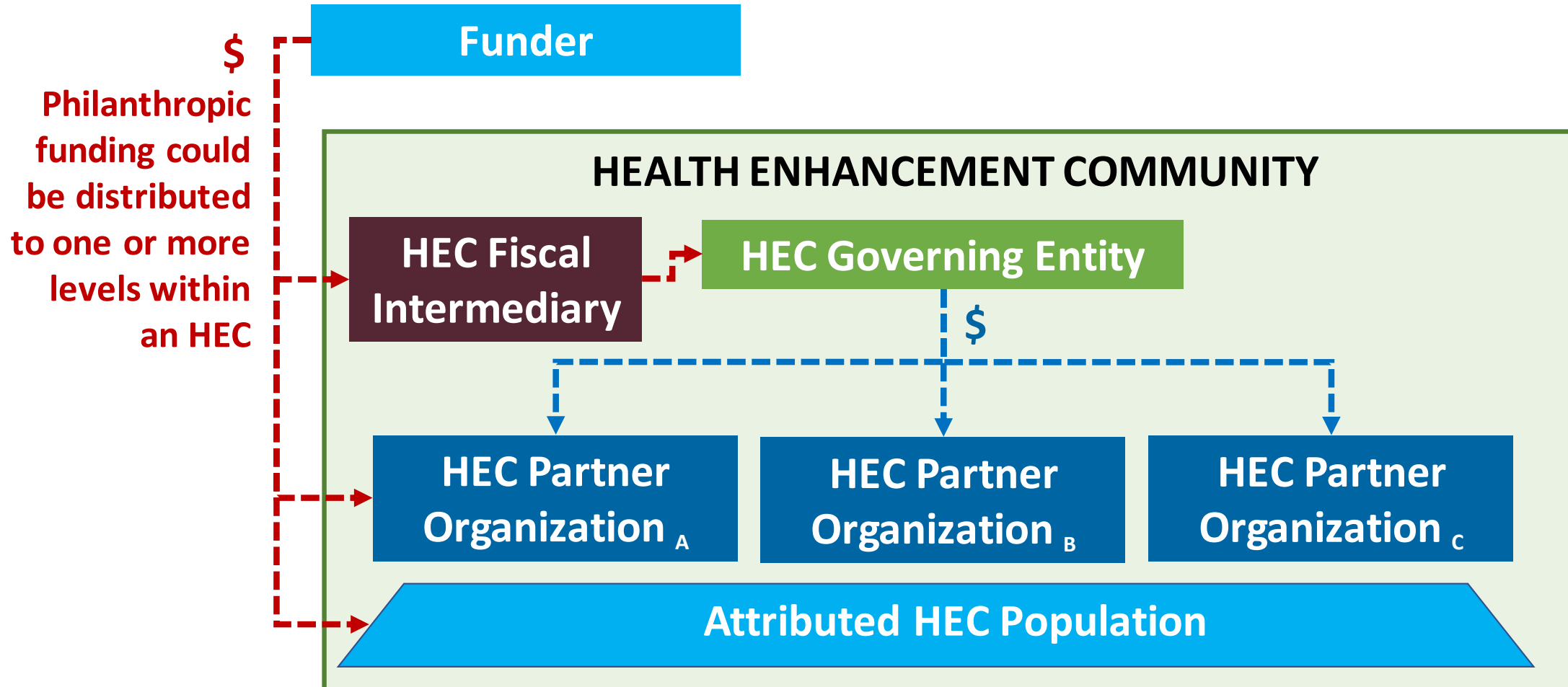


# Funds Flow

## Example: Philanthropic funding



Confirm



# Appendix

# HEC Attribution: Options

	Retrospective	Prospective	Snapshot
Description	<ul style="list-style-type: none"> <li>Retrospective (also referred to as “concurrent” or “performance year”) attribution assigns patients to providers based on historical claims at the <b>end of the performance period measured</b></li> </ul>	<ul style="list-style-type: none"> <li>Uses historical claims to identify the persons included in a providers’ patient <b>roster prior to the start of a defined performance period</b></li> </ul>	<ul style="list-style-type: none"> <li>Uses a methodology to capture a <b>defined population group at a point in time</b>, which can be repeated at a subsequent point in time</li> </ul>
Considerations	<ul style="list-style-type: none"> <li>Ensures the patient actually received care from the attributed provider during the performance year</li> <li>Proponents of retrospective attribution argue that providers should treat all patients in the most effective and efficient manner; therefore, advance notification is unnecessary</li> </ul>	<ul style="list-style-type: none"> <li>Roster of patients is known before the performance year begins. (Patients can “fall out” of the attribution methodology during the performance year, but new people cannot be added.)</li> <li>Quality and cost data can be shared with provider on a timely basis during performance year</li> </ul>	<ul style="list-style-type: none"> <li>May be more consistent with a population health approach</li> <li>“Open group” approach does not account for in- or out-migration</li> <li>Could adjust methodology to account for significant changes in makeup of a community over time</li> </ul>



# ACO Attribution: Rolling Retrospective Example

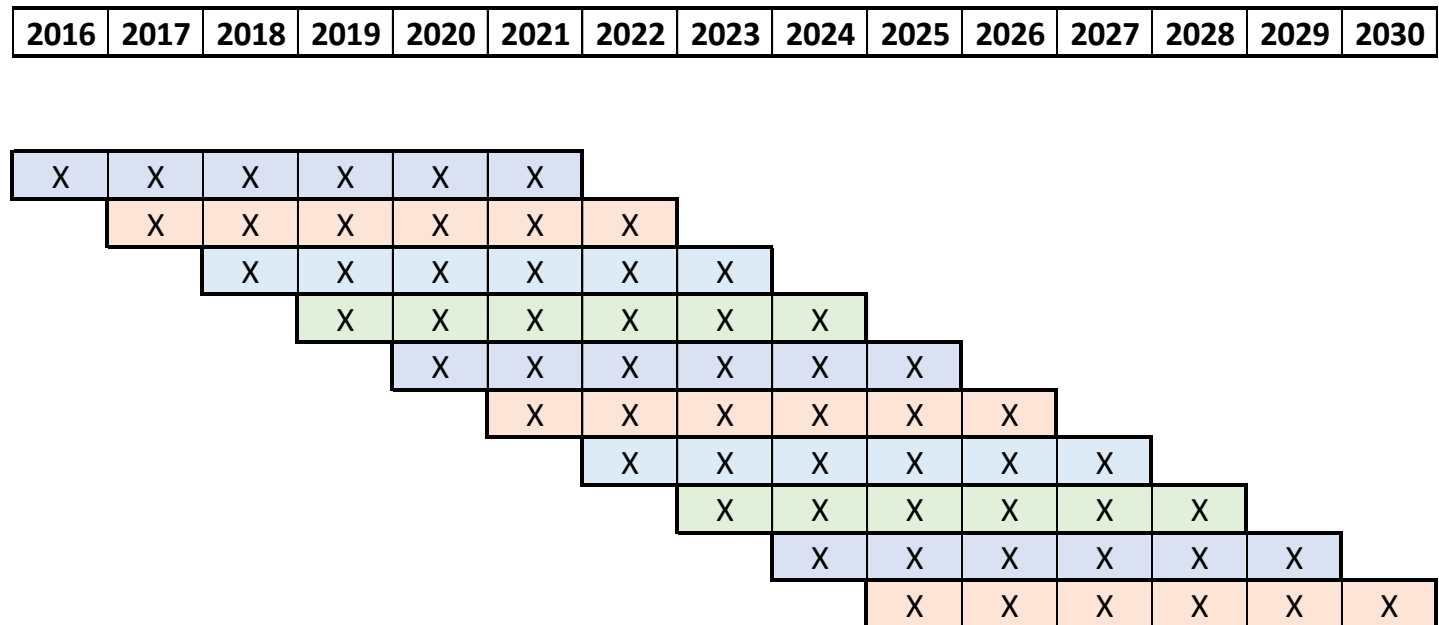
## Rolling Retrospective attribution - Example

In any given performance year, include all persons who reside within a HEC geographic boundary, except the following:

- Persons who did not live in the HEC geography for 12 or more of the previous 60 months (5 years)
- Persons who did not live in the HEC geography during any part of the of the most recent 12 months
- Newborns of mothers who fall into the previous exclusions (#1 and #2)

### Example: 10-Year Medicare Demo Waiver

Demonstration Year	Attribution
1	Attributed Population 2021
2	Attributed Population 2022
3	Attributed Population 2023
4	Attributed Population 2024
5	Attributed Population 2025
6	Attributed Population 2026
7	Attributed Population 2027
8	Attributed Population 2028
9	Attributed Population 2029
10	Attributed Population 2030



# ACO Attribution: Fixed Prospective Example

## Fixed Prospective Attribution - Example

In any given performance year, include all persons who resided within a HEC geographic boundary during the 60 months (5 years) prior to the beginning of the Demonstration Period except persons who moved out of the HEC geographic boundary. Include any newborns of mothers who fall into the first category.

### Example: 10-Year Medicare Demo Waiver

Demonstration Year	Attribution
1	Attributed Population 2021
2	Attributed Population 2022
3	Attributed Population 2023
4	Attributed Population 2024
5	Attributed Population 2025
6	Attributed Population 2026
7	Attributed Population 2027
8	Attributed Population 2028
9	Attributed Population 2029
10	Attributed Population 2030

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
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X	X	X	X	X
X	X	X	X	X
X	X	X	X	X
X	X	X	X	X
X	X	X	X	X
X	X	X	X	X
X	X	X	X	X
X	X	X	X	X
X	X	X	X	X
X	X	X	X	X

- Subtract individuals who move in/out of HEC geography

- Add newborns of mothers who resided in the HEC geography from 2016 - 2020

# ACO Attribution: Snapshot Example

## Snapshot Attribution - Example

In any given performance year, include all persons who resided within a HEC geographic boundary.

### Example: 10-Year Medicare Demo Waiver

Demonstration Year	Attribution
1	Attributed Population 2021
2	Attributed Population 2022
3	Attributed Population 2023
4	Attributed Population 2024
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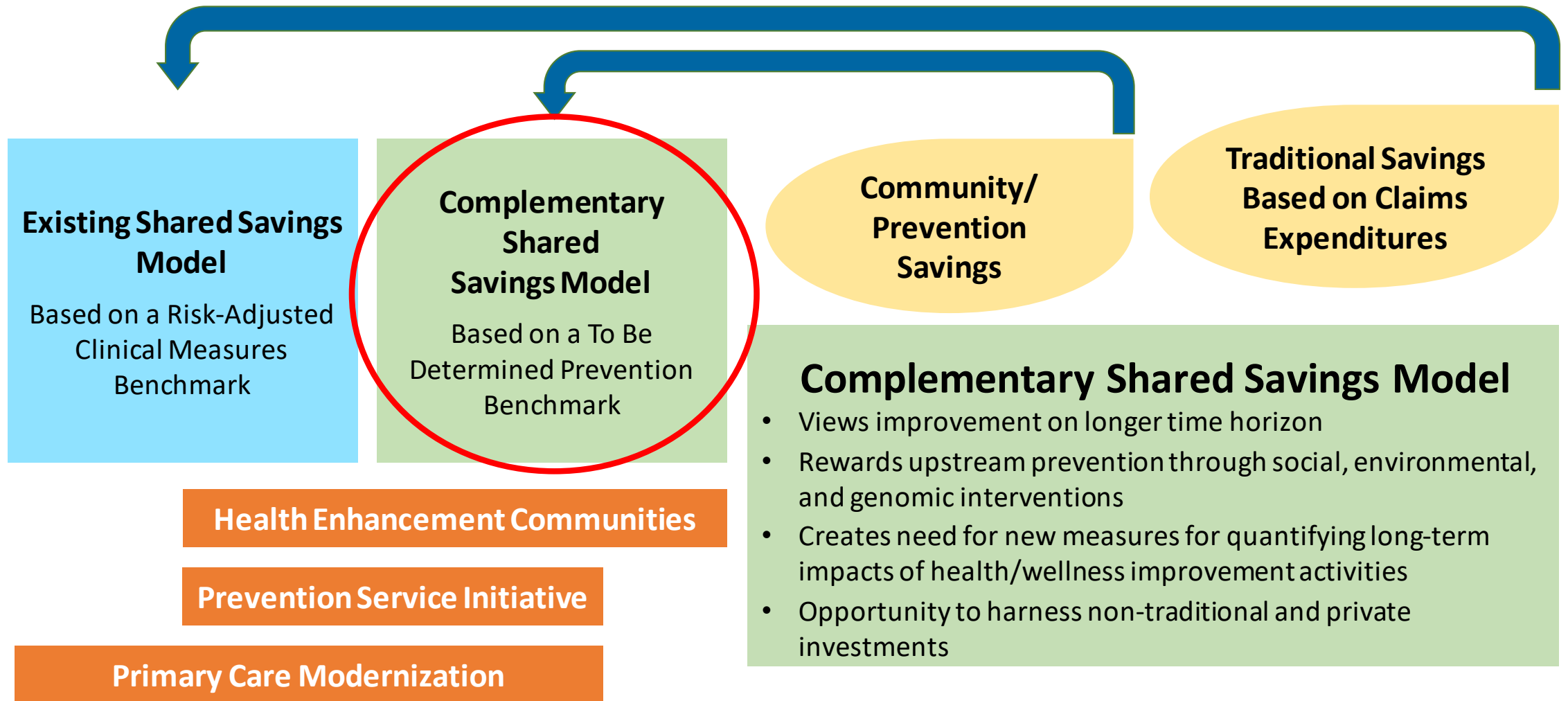
2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
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X

X

X

# Existing Shared Savings Models Do Not Adequately Reward Prevention



End